

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

LOTTOTRON, INC.,

Plaintiff,

v.

BONNE CHANCE N.V., *et al.*,

Defendants.

No. C12-0524RSL

ORDER APPOINTING RECEIVER

On February 1, 2012, plaintiff registered in this district a judgment obtained in the District of New Jersey against four corporate entities. Dkt. # 1. Plaintiff then filed an application for the appointment of a receiver to take immediate possession and control of certain domain names purportedly owned by the judgment debtors. Dkt. # 3. Although plaintiff mailed copies of the motion to the four defendants, Bonne Chance N.V., I-Services N.V., CB Corporation, and Allgames Casinos Ltd., as well as the registrars of the domain names at issue, personal service was not attempted.

When defendant CB Corporation (n/k/a Excent Investment Corporation) learned that its domain names had been administratively frozen to prevent transfer pending resolution of this action, it appeared in this action, opposed the appointment of a receiver, and challenged the underlying default judgment in the District of New Jersey. On April 27, 2012, Lottotron and Excent filed a stipulation for dismissal of plaintiff's claims against Excent. The default judgment in the District of New Jersey was also vacated by stipulation.

ORDER APPOINTING RECEIVER

1 Because plaintiff had not served Bonne Chance, I-Services, or Allgames pursuant  
2 to Fed. R. Civ. P. 4, the Court was concerned that its service attempts did not satisfy the  
3 requirements of due process. The Court therefore ordered plaintiff to serve the summons, the  
4 motion for appointment of receiver, and the Court's order via the U.S. Postal Service and e-mail  
5 on defendants Bonne Chance, I-Services, and Allgames at the various addresses maintained by  
6 the registrars of the domain names superiorcasino.com, freespincasino.com, and  
7 brandycasino.com. Plaintiff voluntarily dismissed its claims against Bonne Chance and has  
8 provided proof of service on I-Services and Allgames. Neither of the remaining defendants has  
9 appeared in this action or otherwise responded to plaintiff's application for appointment of  
10 receiver.

11 Having reviewed the memoranda, declarations, and exhibits submitted by plaintiff  
12 and the remainder of the record, the Court finds that good and sufficient grounds exist for the  
13 appointment of a receiver pursuant to the Washington Act Relating to Receivership, RCW Ch.  
14 7.60. A receivership is necessary to ensure justice to the parties and to preserve the domain  
15 names <freespincasino.com> (owned by judgment debtor I-Services N.V.) and  
16 <brandycasino.com> (owned by judgment debtor Allgames Casinos Ltd.) for the benefit of the  
17 judgment creditor, plaintiff Lottotron, Inc. It is FURTHER ORDERED that:

18 (1) Appointment of Receiver

19 Mark D. Northrup of Graham & Dunn PC is appointed as custodial receiver  
20 ("Receiver") of the domain names <freespincasino.com> and <brandycasino.com>. Receiver  
21 shall, within five (5) days of the date of this Order, submit to the court a receivership bond in the  
22 amount of \$1,000.00 conditioned upon the faithful performance of his duties herein and  
23 compliance with the orders of this Court. The costs of the bond will be reimbursed to the  
24 Receiver from the assets of the receivership estate unless the Court finds that the bond has been  
25 forfeited. The Receiver shall not be subject to the control of any of the parties to this matter, but  
26 shall be subject only to the Court's direction in the fulfillment of his duties.

1           (2) Powers and Duties of Receiver

2           (a) The Receiver shall have all of the rights, powers, duties, and authority vested  
3 in him under the Washington Act Relating to Receivership, RCW Ch. 7.60, including but not  
4 limited to authority and control over the domain names <freespincasino.com> and  
5 <brandycasino.com>, in order to maximize the value of the domain names for the benefit of the  
6 parties and to make whole the judgment creditor, plaintiff Lottotron, Inc.

7           (b) The Receiver shall take immediate control and possession of the domain  
8 names <freespincasino.com> and <brandycasino.com>. The registrars shall transfer each of the  
9 domain names into a registrar account controlled by the Receiver. The Receiver and the  
10 registrars shall take all other necessary and appropriate actions to affect the transfer of the  
11 domain names <freespincasino.com> and <brandycasino.com> into the Receiver's control and  
12 possession.

13           (c) The Receiver shall have authority to use, sell, lease, or otherwise dispose of  
14 the domain names <freespincasino.com> and <brandycasino.com> pursuant to RCW 7.60.260.  
15 Except as may otherwise be ordered by this Court, the notice period for disposition of any or all  
16 of the domain names shall not be less than thirty (30) days.

17           (d) The Receiver is authorized to contract with, hire, pay, direct, and discharge all  
18 persons reasonably deemed necessary by the Receiver, in his sole discretion, for the maintenance  
19 and liquidation of the domain names <freespincasino.com> and <brandycasino.com> in his  
20 efforts to maximize the value of the domain names for the benefit of the parties and to make  
21 whole the judgment creditor, plaintiff Lottotron, Inc.

22           (e) Upon distribution or disposition of the domain names <freespincasino.com>  
23 and <brandycasino.com> and/or completion of the Receiver's duties hereunder, the Receiver  
24 shall move the Court to be discharged. The Receiver shall continue to perform the duties set  
25 forth in this Order with the aim of maximizing the value of the domain names  
26 <freespincasino.com> and <brandycasino.com> for the benefit of the parties and to make whole

1 the judgment creditor, plaintiff Lottotron, Inc., until discharged by the Court.

2 (3) Fees and Expenses of Receiver

3 Receiver shall be entitled to charge as fees for services his or his staff's standard  
4 hourly rates and shall be reimbursed for all reasonable costs expended in carrying out his duties  
5 as Receiver. Such fees and expenses shall include reasonable fees for services performed prior,  
6 but directly related, to the appointment of the Receiver herein. Within one business day of  
7 incurring or contracting to incur any third-party expense of over \$100, the Receiver shall give  
8 notice of the expense to plaintiff, any other person or entity that has requested notice, and any  
9 person or entity that has asserted a lien against the domain names <freespincasino.com> and/or  
10 <brandycasino.com>. Receiver shall also provide notice of his and his staff's fees for services  
11 on a monthly basis. If no written objection served on all interested parties is made to the fees or  
12 expenses within ten (10) calendar days following the date of notice, the fees and expenses shall  
13 be deemed approved as being fully and finally earned. The approved fees and expenses shall be  
14 paid from the assets of the receivership estate and shall be a first priority lien on the domain  
15 names <freespincasino.com> and <brandycasino.com>, with priority over all other liens  
16 including statutory liens. If the interested parties are unable to resolve an objection to a fee or  
17 expense within thirty (30) days of the date of such objection, any party may file a motion with  
18 the Court to resolve the objection.

19 (4) Reporting

20 The Receiver shall file a bi-monthly report of his operations and financial affairs in  
21 the above-captioned matter that includes the information set forth in RCW 7.60.100. The  
22 Receiver is expressly relieved from the monthly reporting requirement of the statute.

23 (5) Surplus Funds

24 In the event that the sale, lease, or other disposition or use of the domain name  
25 <freespincasino.com> exceeds \$336,000.00 and/or that the sale lease, or other disposition or use  
26 of the domain name <brandycasino.com> exceeds \$1,545,600.00 (the amounts owed by the

1 judgment debtors I-Services and Allgames, respectively), any surplus funds shall be deposited  
2 into the registry of the Court.

3 (6) Non-Interference

4 Judgment debtors I-Services and Allgames are prohibited from the sale, transfer, or  
5 other disposition of the domain names <freespincasino.com> and <brandycasino.com> unless  
6 and until the Receiver is discharged. I-Services and Allgames are hereby restrained from  
7 interfering with the Receiver's efforts to maximize the value of the domain names or from taking  
8 any actions that would reduce the value of the domain names.

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10 For all of the foregoing reasons, plaintiff's application for appointment of receiver  
11 (Dkt. # 3) is GRANTED. Plaintiff shall provide statutory notice of entry of this Order to all  
12 named defendants.

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14 Dated this 27th day of July, 2012.

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16 Robert S. Lasnik  
17 United States District Judge  
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